

**Amendment No. 19 to HB2354**

**Hawk**  
**Signature of Sponsor**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 2326**

**House Bill No. 2354\***

by deleting all language following the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 67-4-1004(a), is amended by deleting the language “ten (10) mills” and by substituting instead the language “three and fifteen one-hundredths of one cent (3.15¢)”.

SECTION 2. Tennessee Code Annotated, Section 67-4-1004, is amended by deleting subsection (c) and substituting instead the following:

(c) Any wholesale dealers, jobbers, tobacco distributors, and retail dealers having cigarette tax stamps, affixed and unaffixed, in their possession on July 1, 2007, shall not be required to pay the additional cigarette tax on such stamps resulting from the increase in the tax rate from ten (10) mills to three and fifteen one-hundredths of one cent (3.15¢) on cigarettes bearing such stamps.

SECTION 3. Tennessee Code Annotated, Section 67-4-1025, is amended by adding the following language as a new subsection (d):

(d)

(1) Notwithstanding any provision of law or this act to the contrary, the first twenty-one million dollars (\$21,000,000) of the cigarette tax revenue generated from the increase in the tax rate levied by the provisions of this act shall be allocated annually to the department of agriculture’s Tennessee agriculture enhancement program;

(2) Notwithstanding any provision of law or this act to the contrary, of the remaining cigarette tax revenue generated from the increase in the tax rate levied by the provisions of this act:

(A) An amount substantially equal to a forty cent (40¢) per pack increase in the tax rate shall be deposited in the education trust fund created by title 49, chapter 3;

(B) An amount substantially equal to a one cent (1¢) per pack increase shall be deposited in the "Tennessee Veterans' War on Terror Fund" which is hereby created. It is the intent of the general assembly to provide bonuses in the amount of five hundred dollars (\$500.00) to Iraqi and Afghanistan war veterans from moneys available in the Tennessee veterans' war on terror fund. Any person awarded such bonus shall be a Tennessee resident; and

(C) An amount substantially equal to a two cent (2¢) per pack increase in the tax rate shall be deposited in the trauma system fund created by the "Tennessee Trauma Center Funding Law of 2007" (Senate Bill 1503 / House Bill 1613). Such funds shall be distributed as required by such law.

SECTION 4. This act shall take effect on July 1, 2007, the public welfare requiring it.